MR. K. MATTHAN.—The information of Government is that the experts merely studied the prospects.

NAWAB SHER KHAN.—Is there any truth in the report that Government have entered into an agreement with Messrs. John Taylor & Sons, Ltd., in respect of mining operations in the area with effect from November this year?

MR. K. MATTHAN.—No. But applications for prospecting licenses have been received from some companies and they are under consideration.

NAWAB SHER KHAN.—In view of the fact that gold is selling very high, would it not be possible for Government themselves to take up the mining operations?

MR. K. MATTHAN.—Government have no intention of undertaking such a speculative business.

NAWAB SHER KHAN.—Is it not desirable for Government to give special encouragement at least to the companies which have offered to take up the work of mining?

MR. K. MATTHAN.—That question may arise after the area is first explored and there are reasonable hopes of workable quantities of ore being obtained.

MR. G. CHANNAPPA.—Have any prospecting licenses been granted already?

MR. K. MATTHAN.—No. But negotiations are going on in that behalf.

GENERAL DISCUSSION ON THE BUDGET—(*concld.*).

MR. N. G. SANJEEVIAH commenced by saying that for several years past the Government seemed to be content with presenting deficit budgets even after drawing from previous reserves almost every year. It was distressing to find that some of the most important items of revenue were fluctuating and some were steadily declining, such, for example, as excise revenue. Land revenue, no doubt, was pretty steady, but after spending a lot of money on establishments the net revenue even from that head was only Rs. 93 lakhs. And even out of that, as much as Rs. 61 lakhs had to be earmarked for payment of interest on the different loans, so that the net balance came down to very little. The Financial Secretary was pleased to say that the provision under interest charges payable had been reduced in view of the proposed repayment of the railway sterling loan in connection with the taking over of the Bangalore-Harihar line. The speaker was not satisfied with that explanation, however, because that loan was due to be repaid only towards the close of the budget year so that for the first 10 months thereof a proportionate interest would have to be paid on the loan. This showed that the budget had been prepared on very defective lines.

Referring to the industrial and other capital works, the member observed that Government had made heavy investments on unremunerative items. This, coupled with the fact that Government were not laying by adequate sums for repayment of loans, showed that they could not long continue their present practice of meeting even normal expenditure only with the help of uncertain items of revenue and drawings from accumulated balances.

THE FINANCIAL SECRETARY TO GOVERNMENT (MR. S. SHAMANNA) reminded the speaker that there was enough sinking fund for liquidating the debts.

MR. SANJEEVIAH replied that sinking funds were fast dwindling, because recurring deficits necessarily meant that either sinking funds or reserves were being drawn upon.

MR. S. SHAMANNA said that the budget under discussion was a surplus budget and so any charge that sinking funds or reserves were being depleted could not apply to it. If at all, it related only to the past.

MR. SANJEEVIAH remarked that in respect of the future it was the duty of Government to see that they did not find themselves in a similar plight. For that, it was necessary that the Government should restrict their normal expenditure to normal revenues and earmark all revenue from capital and other works for the benefit of future generations.

With regard to the industrial policy of Government, he said that the permanent interests of the State were not being adequately safeguarded. The silk weaving factory, for instance, was not working on sound lines. It was resulting in loss year after year. Personally he was aware of some reasons why this factory was not making profits. In the first place, it was not located at a place where the silk industry was pursued on a pretty large scale. Secondly, the machinery used was by no means efficient in regard to twisting and reeling. Messrs. R. & M. Co., were supplying very efficient reeling machinery to Kashmir, Bombay, Hyderabad and other Governments, but the Mysore Government depended upon foreign machinery which was not at all turning out good work. It was a pity that local suppliers did not receive adequate encouragement at the hands of the local Government.

THE FIRST MEMBER (*Rajamantrapravina Diwan Bahadur* K. MATTHAN) replied that if the matter was brought to the notice of the Director of Industries and Commerce, he would surely see to necessary encouragement being given.

MR. SANJEEVIAH next said that even in respect of twisting, local machinery yielded between 35 and 50 per cent better results than foreign machinery.

He then referred to the work of the Agricultural Department and regretted his inability to give it the same testimony as Mr. Siddalinga Devaru had given on the previous day. In particular he referred to the declining work of the Sugar Factory which had led to a fall in the value of shares of the company. All the same, he did not propose the abolition of the Agricultural Department altogether, though he thought that the department ought to be able to show much better work than at present. At present the seedlings supplied by the department had been found to be very unsatisfactory and everywhere there were complaints against them.

MR. H. M. CHANNABASAPPA interjected that such complaints were very numerous and almost universal.

MR. SANJEEVIAH, continuing, remarked that the Police Department had failed to give satisfaction to the general tax-payer. Particularly in recent years it had earned a bad name notwithstanding the fact that an efficient officer had been imported from British India in order to re-organise the department and improve its efficiency. He was particularly dissatisfied in the matter of recruitment of hands to that department. He thought that non-Brahmin Hindus had a much larger share of appointments in the department 40 years ago than at present.

MR. K. MATTHAN replied that the orders of 40 years ago were not a law of the State; if any particular proportion had been laid down for all time to come, Government would certainly not go against that.

In this connection, MR. SANJEEVIAH observed that he was reminded of a statement made once on behalf of the Government that the Police Department was a semi-military department and that the bulk of the appointments therein should naturally go to members of communities known for courage and endurance. Unfortunately, however, the Police Department had betrayed its weakness recently when there was a disturbance between Hindus and Muslims in connection with a cinema film in the Bangalore City. The men on duty were beaten and they ran away. On another occasion when there was a disturbance at Mysore, the Police, instead of taking into custody only those who participated in it, put a lot of others into inconvenience and directed a charge particularly against Hindus when the hooligans were mostly Muslims. In the case of the Bangalore disturbance referred to above, in which only Muslims were concerned, the charges framed were only under minor sections. The two disturbances referred to had left an impression on the public mind that the Police were bent upon charging offenders under minor sections if they were Muslims and under more serious sections if they were Hindus. It was time, he said, that the Government realised that the department had not been manned properly and that in order to create confidence in the public

mind, members of bolder communities were to be recruited.

MR. K. MATTHAN observed that the speaker was not justified in making serious statements of that kind All cases were being investigated and suitable action taken impartially without reference to the personalities concerned. It would be very unfair to level charges of the kind that the member was making.

MR. SANJEEVIAH said that he was not expressing any opinion of his own and that he merely wanted to say what the general public thought of the working of the Police Department. If the Government assured him that the departmental officers were free from bias he would certainly rest satisfied.

Proceeding, he remarked that the Representative Assembly really played no part worth the name in the constitutional life of the State. The Assembly had lived for half a century and constitutional reforms had been granted a decade ago. Still it remained a petitioning body and enjoyed really no effective voice in shaping the policies of the Administration. The members met twice every year, made representations, criticized the budget, exercised votes and yet neither policies nor practices were affected in the least. Indeed, the Assembly was but a show-room, and in no way helped to add to the reputation of Mysore. Even resolutions passed unanimously or by an overwhelming majority were not having any effect on the executive. There were moments of despair when some thought that it would be well to abolish the Assembly altogether and to entrust the Government to an administrator of the type of Hitler or Mussolini. The member pleaded that the Government should, at least in future, bear in mind that the Assembly was a constitutional body and deserved to be treated in a better way than at present. Otherwise, the large expenditure that was being incurred on account of the sessions of the Assembly would be a sheer waste.

With regard to Mr. Sanjeeviah's criticism of the working of the Police Department, the INSPECTOR-GENERAL OF POLICE (MR. F. A. HAMILTON) explained that the Bangalore disturbance referred to was a case merely of mischief rather than of a serious riot. If it had been a case of a riot, the offenders would have been charged under graver sections of the law. But, as it was not proved that there was any common object, they could not be charge-sheeted under more serious sections. It was not a fact that there was discrimination made with reference to the persons involved. It was an accident that in that particular case the offenders belonged to the Muslim community. Had they been Hindus, he said, they would have been treated exactly in the same way.

MR. SANJEEVIAH thanked the Inspector-General of Police for this statement. He concluded with an observation relating to the grant under Education that, despite the large expenditure that was at present incurred, the percentage of literacy had not improved in the State as compared with 50 or 60 years ago and he suggested that the Government should see that all necessary action was taken to improve the percentage in the years to come.

MR. B. SRINIVASIENGAR (Anekal) referred to the industrial policy of the State which had been animadverted upon by some of the previous speakers and said that the capital investments had proved beneficial to the State and that any losses incurred by particular industrial undertakings were due more to service expenditure than to anything else. At the same time he suggested that local industries were not prospering as well as they should and that better progress could be achieved by creating adequate marketing facilities outside the State.

He then observed that the grant for primary education required to be substantially increased. At present the Government were insisting on local bodies sending up 10-year programmes. For the present he would suggest to Government to accept even partial schemes and provide their own quota for giving effect to such schemes.

He next suggested an increase of the grant under medical aid with a view to

provide at least one additional dispensary for each of the eight districts. He also pleaded for the grant under drinking water wells being enhanced from Rs. 75,000 to Rs. 1 lakh since the bulk of the villages were still without drinking water wells. He then pleaded for the early construction of a bridge across the Shimsha River between Kadanahalli and Banasandra in Malvalli Taluk and another across Arkavathi near Kankanhalli so that the eastern part of the Mysore territory might be better opened up and a road for through traffic constructed, and the concerned raiyats given better facilities for exporting their commodities. He added that for this purpose the Mysore and the Bangalore District Boards had already expressed their preparedness to contribute their quota of the expenditure and the Government would be conferring a great boon upon the people if they undertook those works providing their own share of the cost. He concluded with an appeal to the Dewan that, at least as a temporary measure of relief, Government should be prepared to grant remissions of land revenue on an adequate scale.

Mr. L. Vema Reddy did not agree with some of the previous speakers who had observed that it was wrong for Government to draw funds from reserves for current expenditure. He asserted that all funds so withdrawn had been spent on very remunerative capital works and, if at all, the House must express its gratitude for the bold statesmanship that Government had shown in diverting idle funds to such beneficial purposes. At no time in the past had Government restored or repaired so many tanks as in recent years and taken up other useful works. Of course, it was possible for the Government to keep funds intact, deferring such works of public utility. But at the same time it was worth while remembering that if tank restoration at reasonable cost was not attended to promptly, the same work at a future date would involve many times more of expenditure. He then suggested that Government should take all possible action to wipe out all debts. He also wanted that the agriculturist should be given some relief from the present high level of taxation. The general budget position of the State also stood in need of a thorough re-examination and for that purpose he suggested the appointment of a mixed committee at an early date. In particular he suggested retrenchment in establishments and a lowering of the scales and grades of pay, amalgamation of departments, and abolition of departments wherever possible. He next said that the grant for primary education should be substantially raised, if necessary, by reducing the grant to the University which was merely turning out a large number of graduates every year most of whom were a burden to themselves and to their parents. He brought to notice that village panchayets were not working properly and that their funds were being wasted due to pressure from higher officials. He suggested that Government should take some action to see that all panchayet collections were spent on useful items within the limits of the bodies concerned. In conclusion he requested that District Boards must be allotted a due share of the petrol tax revenue which the Government were deriving from the Government of India.

Mr. C. N. Narasinga Rao said that from 1920 onwards one regular feature of the budgets had been the excess of normal expenditure over normal income and the increasing tendency of drawing upon the reserves with a view to meet the deficits. The result of such a policy had been, as Mr. Belur Srinivasa Iyengar had observed on the previous day that, in all, more than 2 crores of rupees had been drawn from the reserves. And even in the budget year, a sum of Rs. 5·6 lakhs had been proposed to be utilised from the reserves. He observed that the sooner this policy was given up the better it would be for the State.

Mr. S. Shamanna replied that Government had not proposed to draw any money from reserves during the budget year. Even though some members had expressed the view that the receipts had been over-estimated in the current year's budget estimates under certain

heads, the anticipations of Government had been more than realised. There was no reason just at present to fear that the anticipations in respect of the budget year under various heads of revenue might not be realised fully.

MR. NARASINGA RAO then said that from 1929 up to the current year, Government had not realised their anticipations fully even under Land Revenue. During the current year, all over the State, raiyats were in need of remissions owing to failure of rains. And if in the coming year the Government wanted to increase the receipts under land revenue by Rs. 10 lakhs, they would necessarily have to take recourse to coercive measures which would only result in greater hardship to the raiyats.

MR. K. MATTHAN observed that Government hoped to be able to collect the full estimated amount, since it was made up not only of the year's demand but the arrears of previous years also.

MR. NARASINGA RAO however thought that the only result of such a high estimate would be that the local officers would be merciless in the matter of collections and no remissions would be granted however much the raiyats were hard hit.

MR. K. MATTHAN said that budget estimates would not prevent local officers from recommending grant of remissions wherever necessary.

MR. NARASINGA RAO feared that, once a demand was fixed, the local officers would strive their utmost to reach that figure which could be done only by resort to coercive measures. A perusal of successive recent issues of the Mysore Gazette had shown that very many villages had been brought to auction on account of arrears of revenue. That was an index of the poverty of the people and the need for Government giving some relief to them at this hour of dire need.

There was a provision in the next year's budget for the purchase of inam villages by Government. Resumption of inam villages, he said, was not a just policy and the provision ought therefore to be deleted.

Referring to the Police budget, MR. NARASINGA RAO regretted very much that a special provision had been made for appointing Anglo-Indian Head Constables in grades higher than those allowed to Sub-Inspectors belonging to other communities. That provision, he said, wounded the self-respect of the men already in the Sub-Inspectors' grade and had therefore to be expunged from the budget. There was no justification to show any preferential treatment to anybody, and particularly to Anglo-Indians, in a Hindu State. He had no objection to the appointment of Anglo-Indians but he wanted that, if they were entertained, they must be treated like any other Indians in service. There was no speciality about them and men from other communities were at least as efficient as they.

Referring to the Co-operative Department, he said that from the circulars recently issued by the Registrar of Co-operative Societies, it was evident that the working of co-operative institutions in many parts of the State was not very satisfactory. That was perhaps due to want of adequate supervision over the institutions. He hoped that with better supervision and control over societies and banks by inspecting officers and with deterrent punishments to those responsible for laches or misapplication of funds, the irregularities would be set right. For this purpose, he suggested that the Registrar should see that none but the best men were selected for the Inspectorate of the department.

MR. K. MATTHAN said that Government were aware of the situation and were taking needful action to improve it.

Coming to the Medical Department, MR. NARASINGA RAO said that the treatment of patients in the Vani Vilas Hospital at Bangalore, for the construction of which a large number of philanthropic ladies and gentlemen had contributed very generously, was not at all satisfactory either in the out-patient or in the in-patient wards. Perhaps complaints in this respect had also reached the Government. It was only patients in very critical situations

that generally went to that institution and they certainly deserved to be treated with the utmost possible sympathy and readiness and not roughly. He earnestly requested the Head of the Department to issue strict instructions in the matter to the hospital authorities.

As regards the Victoria Hospital, he said that it was distressing to see unclaimed dead bodies being removed from the hospital to the burial ground without any covering whatsoever. He suggested that, in the interest of decency, some kind of covering ought to be provided in all such cases.

Referring to the heavy cost incurred by the State under Education, the member stated that the percentage of failures in the recent Intermediate Examinations was appallingly heavy and only showed that the University, on which about Rs. 10 lakhs were spent every year, had failed to discharge its function properly. If the teaching was efficient and all the professors and their assistants had realised their responsibilities, there was no reason why there should have been only 10 or 12 per cent of passes in the recent examination. It was up to the University authorities to insist on a higher standard of efficiency on the part of its teaching staff so that the percentage of passes might improve at least in future.

Referring to Bangalore City, MR. NARASINGA RAO thanked the Dewan for all the interest he was evincing and the help that Government were extending for effecting improvements to the City and he hoped that during the remaining years of the same Dewanship, it would become possible for the Municipality to effect further improvements. The member would, however, bring one particular matter to notice, *viz.*, that for the underground drainage scheme in the City, Government had promised to give their moiety but had not yet actually given it. So far, with the help of a special loan which Government had been pleased to sanction, the Municipality had spent one lakh of rupees and were prepared to spend a similar sum in the coming years. As against this, the Government had so far given a grant of only Rs. 15,000. At this rate, he feared that the scheme would not be completed for many decades to come as the entire scheme was estimated to cost several lakhs of rupees. He therefore requested Government to provide adequate funds for enabling themselves to fulfil their own promise.

Referring to the Sri Chamarajendra Water Works, he very much regretted that Government should have begun to regard those works as a commercial concern, expecting to realise a return of 3½ per cent on the expenditure incurred on it. Already the water charges in the City had increased by 200 per cent and the rate-payers were finding it exceedingly difficult to pay this heavy tax in addition to other taxes. It was therefore very necessary to reduce the rates.

The Government had shown a sum of Rs. 2 lakhs as arrears due to Government from the Water Works. This, he said, was due to a wrong calculation and the heavy arrears shown against these works were not legitimately due to Government. And this heavy demand was partly responsible for the surplus budget which the Government had presented to the House. At the time the Municipality agreed to pay a certain fixed amount to Government on account of water to be supplied from these works, the Government had definitely permitted the Municipality to take for itself all the income from water supply installations in the City. But later on, they decided that Munireddipalya and the Institute of Science did not come under the purview of the agreement and that Government alone were entitled to the income from water supply connections in those areas. This had resulted in a loss of nearly Rs. 40,000 a year to the Municipality. So, if at all, the Government were due to make up for that loss and the Municipality did not owe any arrears to them. For this reason, he suggested that the demand in question be deleted from the budget estimates.

MR. NARASINGA RAO proceeded to say that the rate-payers of Bangalore

City were contributing very largely to the State funds in the form of betting tax for some time past, in addition to the other contributions which they were making all along. In this view, he contended that the Government must show due consideration to them by providing very much larger grants than at present so that the Municipality might effect further improvements to the City and provide increased amenities to its citizens.

NAWAB SHER KHAN congratulated the Government on having been able to present a balanced budget, without recourse to fresh taxation and after providing for drinking water wells in the villages, railway extensions, takavi loans and other heavy items. The progressive nature of an administration was judged by the comforts it created for the tax-payer and for giving additional amenities. Judged from this standard, the Government of Mysore deserved all credit. For providing increased amenities to the general public, Government would be quite justified even in borrowing money, in case funds were not available, provided the rate of interest was not very heavy.

Referring to the malnad district of Shimoga, he said that educational facilities there were far from satisfactory. Ever since the control of primary education was transferred to the local body, Government were not giving it sufficient funds for expenditure on primary schools. But the School Board was spending the usual amount on primary schools within its jurisdiction, with the result that it had to face a deficit of something like Rs. 19,000 for some years past and Government must somehow enable the School Board to wipe out that deficit. In the next year's budget, Government had provided an additional sum of Rs. 10,000 for the expansion of primary education in the State as a whole for which they deserved to be thanked. But that was too inadequate for the purpose in view, and he hoped that increased grants would be made in the coming years at least.

He thanked the Government for having made a provision of about Rs. 3 lakhs for the extension of the Shimoga-Arasalu Railway up to Sagar. But he emphasised the necessity of providing larger funds for the purpose so that the work might be completed within about two years.

He requested that the provision made for middle school education should be enhanced. He was glad to find a provision of Rs. 40,000 made in the budget for middle school buildings. This, he said, would not only result in substantial savings in the shape of rents but also in providing school houses which would be satisfactory from the point of view of health and sanitation. In this connection, he requested that some special grant be made for providing suitable buildings for Hindustani Schools of all grades in the Shimoga District.

MR. M. A. GOPALASWAMI IYENGAR said that every surplus budget ought to have one or two special features such as lightening the burden of assessment and increasing developmental activities. The budget under discussion did not disclose any such special features and was not therefore a surplus budget.

MR. S. SHAMANNA maintained that the budget under discussion was certainly a surplus budget, and that Mr. Gopalaswami Iyengar was evidently thinking of a prosperity budget.

MR. GOPALASWAMI IYENGAR said that the budget under discussion was neither surplus nor prosperous. And by striving to show that it was a surplus budget, the Government had not served any interest well. They thought that the State was pretty well off and so they proposed to remove or reduce salary cuts which meant that the expenditure of the State would rise to a corresponding extent. This in turn led to another result, *viz.*, discontinuance of the contribution from His Highness the Maharaja and the members of the Royal family, which meant that the revenue of the State further fell to that extent. But for these two circumstances, it should have been possible for Government to get

about Rs. 5½ lakhs which could have well been utilised for giving relief to the hard-hit raiyats either by way of reducing *kandayam* or by starting special relief works. More than 80 per cent of the people in the State were agriculturists and they were passing through critical times. And the *per capita* incidence of local, national and imperial taxation came to as much as Rs. 8 per annum. The national income being not more than Rs. 25 per head per year, the *per capita* incidence of taxation worked out at the very high proportion of one-third of the earnings. With regard to the average citizen, due to economic depression, earnings had fallen, but taxation had either remained stationary or increased. Bearing in mind the testimony of Mr. N. S. Subba Rao that it was the poor people that were contributing the bulk of that taxation, there should have been an attempt on the part of the Government to give substantial relief to such people. But it was a pity such a thing had not been done. Instead, the Government had aimed at balancing the budget.

Coming to the expenditure side, he observed that there was an increase only on obligatory items such as Protection, Army, Civil Administration, etc., and that the grants for developmental activities, public works and improvements, agriculture and so on continued to be inadequate and there was no provision for famine relief at all. Even under Civil Administration, the increased expenditure was due to the grant of higher salaries in some cases and the grant of an additional sum under Agriculture was due to nothing more useful than extension of the Glass House at Lal Bagh at Bangalore.

Continuing, he said that at the last session of the Assembly, a request had been made by members for the appointment of a Marketing Officer to arrange for the best markets for Mysore products and especially agricultural produce. The Government had promised to do the needful, but there was no provision for it in the budget. He suggested that a Marketing Officer should be appointed early and that a few co-operative societies for selling to the best advantage the agricultural produce of their members should also be established. Even in the matter of fostering rural and cottage industries and affording subsidiary occupations to the raiyats, the Government did not seem to have taken any action though they had often stated that the matter was engaging the consideration of the Industries and Commerce Board.

The speaker then said that a reference to the budgets for the last 8 or 10 years would show that the revenue position was not stable and the Government were balancing the budgets with revenues from items which the Dewan had styled as "the gifts of God." Also, the income from commercial enterprises was fluctuating from year to year. Any administration depending upon such uncertain revenues for meeting its normal requirements could not be stable.

MR. GOPALASWAMI IYENGAR next referred to the high level of land assessment in the State. Whatever the justification for the level of taxation that was fixed in the past, the present position of the agriculturist really called for a substantial reduction of assessment. Even normally, the agriculturists were finding it difficult to keep their body and soul together after paying land revenue and their position had definitely gone worse within the past 10 years on account of economic depression. He therefore proposed that a thorough re-examination of the entire land revenue policy and the rates of assessment to be levied with reference to altered agricultural conditions should be taken up without delay. In this connection, he suggested that statistics in respect of national income, national liability, level of taxation, etc., should also be collected in order to ascertain the incidence of taxation. For, he said, in the absence of such statistics any budget forecasts were bound to be unscientific and undependable.

MR. BAGAMANE DEVA GOWDA said that nobody in the Assembly was in favour of reducing the salary cuts of Government officers. Many astrologers and others were expecting that within the next two years a great famine

would devastate the country and if those expectations unfortunately became true, relief on a gigantic scale would have to be provided and Government would need, for that purpose, large sums of money. The present was not at all the time, therefore, for Government to forego the savings which they could effect by means of salary cuts.

He then said that the grant of Rs. 40,000 for the improvements of towns in the whole State was very inadequate and wanted that it should be increased by reducing the provision for the Bangalore and Mysore Cities both of which had all along received help in an over-generous measure. He also said that the grant for drinking water wells should be enhanced not only with a view to provide good drinking water for the villagers but also with a view to provide employment to the labour classes.

He next proceeded to support the claim of District Boards for a share in the petrol tax revenue which at present was being entirely appropriated by the Government and stated that the poor finances of the District Boards and the heavy additional expenditure they were put to in recent years on special repairs to roads on account of the growth of motor traffic were arguments in favour of the contention of the District Boards.

Referring to the provision under Grants for Public Improvements, he said that the South Canara District authorities had improved their portion of the Charmudi-Mangalore road at a cost of Rs. 1,18,000 which worked out at something like Rs. 17,000 per mile. That portion of the road was now very good, but the portion within the State presented a deplorable contrast. This, he said, did not do credit for the Public Works Department of the State and he requested that the provision of Rs. 5,000 made for improving the road in question should be increased to the extent necessary for bringing it to the same level of efficiency as the portion in the South Canara District. This latter portion of the road was also being tarred at important places and it would be worth while for the Mysore Public Works Department also to do so in the case of their own portion of the road.

In respect of the High School at Chikmagalur, he said that the number of boys was on the increase and that the building was not very satisfactory as it was lower than the ground level. He added that a certain private gentleman had very kindly come forward to provide a suitable and extensive building at Birur whatever it might cost. If the Government would agree to start a school there and in case this offer was accepted, the congestion in the Chikmagalur High School would, to a very great extent, be relieved.

Referring to the recent abolition of the intermediate class on the Mysore Railways, he said that the Government seemed to have done it in the hope that it would attract more passengers to the second class and result in larger earnings. This was perhaps also the reason why the second class fares had been reduced from 10 pies to 8 pies per mile. But in effect the hope entertained had not been realised and the only result of the action taken was that third class carriages were overcrowded more than ever before. He therefore suggested that Government should re-introduce the intermediate class, reducing the number of carriages if necessary.

He also pressed for the abolition of the railway cess in the Kadur District. Even if railway extensions were actually taken up in future, they could be carried out with the funds reserved for the purpose. And if at all it was found necessary to levy the cess, it could be levied again at any time. For the present, at any rate, the raiyats needed relief and Government ought not to delay affording it. The Revenue Commissioner had replied to a certain representation made in this behalf that in most cases the railway cess had already been paid along with the *kandayam* and there was no question of suspending the cess alone and that the question if at all might arise next year. The speaker personally thought that land revenue had not been paid in many cases and in all such cases the relief prayed for might be granted. And in cases in which the full demand had been paid,

he requested that all payments made in the shape of cesses might be adjusted for the next year's demand under land assessment proper. If this was done, some confidence would be created in the minds of the people that Government were indeed sympathetic and anxious to stand by them at their hour of need.

He then suggested that the orders *re.* transfer of officers of the Revenue Department once in three years should be enforced more strictly in every case in order that the officers might not have scope to develop personal relations or acquire personal interests.

He also wanted that a dispensary should be opened at Chavalmane in Koppa Taluk as one of the four dispensaries proposed to be opened during the budget year.

MR. TUDKI RAMANNA GOWDA said that for medical aid in the malnad, nearly one lakh of rupees were being provided in the past, but the grant had been reduced to Rs. 60,000 in the budget estimates under discussion. He represented that this amount was not sufficient and should be raised at least to the original level.

He also represented that agricultural conditions in the malnad were more distressing than in the maidan parts of the State and that some relief should be given to agriculturists there and more especially to owners of bagayet lands.

Referring to the Shimoga-Mangalore road, he said that the road was in good condition up to Tirthahalli but that for 20 or 25 miles beyond Tirthahalli, it was so bad that it was quite unfit for use. He requested that that portion of the road be improved immediately and necessary funds set apart for the purpose.

Representations were being made to Government for the past 30 or 35 years for the construction of a bridge across Tunga at Tirthahalli. The Dewan was pleased to promise, when he last visited the Shimoga District, to look into the matter and see if provision could be made for taking up the work in the budget year. But no provision had been made for it in the budget. The construction of the bridge was very necessary and he suggested that, in case funds could not be found for the purpose, Government might approve of the work being executed at the cost of the Irrigation Cess Fund as a special case.

He was in full agreement with the request made by Nawab Sher Khan for an enhanced grant for primary education. Ever since the control over primary education was taken over by the Local Education Authority of Shimoga, not one new school had been opened. On the other hand, a few had been closed and perhaps a few more would have to be closed in the coming year for want of money. He therefore requested that in the case of malnad districts particularly, Government be pleased to contribute the quota which they were bearing before primary education was transferred to local bodies.

Srimathi SAKAMMA said that taking the population in the State into consideration, the amount of money spent on primary education did not do much credit to the State. She requested that the amount of Rs. 1,07,000 shown as surplus might be given away as an additional grant to primary education of boys and girls.

She stressed the need for providing special conveyance facilities to the girls attending the Vani Vilas Institute from distant parts of the Bangalore City like Seshadripuram and Malleswaram. She brought to notice that the girls attending the Kamala Bai's High School in Cantonment had been given such facilities by the authorities of that school, of course the girls paying the prescribed charges. She did not know why the Government should not make similar arrangements for the convenience of girls attending the said institution. If this was done, she was sure of a larger number of girls attending the institution.

She thanked the Government for having allotted Rs. 75,000 for providing drinking water wells in the villages in the budget year. She however requested that more and more funds be provided in future years for the purpose in order to lessen the difficulties of women and enable them to keep themselves as well as their children clean and healthy.

Referring to the Vani Vilas Hospital at Bangalore, she said that it was no doubt an imposing structure but the staff and equipment did not seem to be adequate for an institution of its size. She thought that instead of spending so much money on the building itself, Government could perhaps have done better in constructing a smaller building to begin with and utilising the balance for providing all up-to-date conveniences to the patients. Even now, she said that it was very necessary to sanction special expenditure for equipment.

She represented that the number of scholarships for midwives under training should be substantially increased. She also suggested that no fees be levied from women undergoing training in midwifery, and hoped there would be no great difficulty in abolishing the fees now being charged, as the amount realized at present was negligible and the expenditure incurred by the department on the training classes was not much.

MR. T. MARIAPPA said that the budget estimates under discussion did not create much hope for the general public though they were in a sense better than some previous budgets. Since the year 1926-27, the State was witnessing a series of deficits, the maximum deficit having been experienced in the year 1933-34. At the previous budget session of the Assembly, the Dewan had expressed the hope that the dark days of deficits were over and light was within sight, but the current year's budget had resulted in a deficit of Rs. 12 lakhs notwithstanding substantial drawings from the reserves. This showed that the Government had not given effect to the persistent demand of the Assembly that a healthy correlation should be established between normal revenue and normal expenditure.

It was no doubt a matter for satisfaction that several large industrial works were in progress and those works were helpful in creating an impression outside the State that, industrially, Mysore was progressing ahead of other Provinces. Railway lines had been extended, the Iron Works developed, and Porcelain and other new factories established. But still they would not help the State very much. What perhaps would have been more important was to have encouraged other minor industries like silk-weaving, reeling, carpentry, button-making, lacquer works, perfumery works and other similar things which were within the easy reach of the poorer classes.

The masses were still where they were half a century ago and that was due to the fact that the State had not pursued a bold and consistent policy in respect of primary education. Only about 6 years ago the percentage of literacy in Japan was 80 per cent, but to-day there was not even one subject of the empire who was illiterate. Why, he asked, should Mysore not emulate that noble example? Government had entrusted the full responsibility of primary education to the hands of the local bodies and themselves remained unconcerned with the progress achieved. They took convenient shelter under the pretext that the local bodies were not equipping themselves with the necessary funds to bring to fruition the scheme of expansion of elementary education in the rural parts. The position would have been much better if the Elementary Education Regulation had not been introduced and the responsibility for giving adequate educational facilities throughout the State had remained with the Government as it did some time ago. He appealed to the Government to adhere to the policy adumbrated in that Regulation and also to remodel the policy from time to time with the one fixed object of spreading education in all nooks and corners of the State. Otherwise, even a century hence the villagers would continue to be steeped in ignorance and any amount of progress achieved by the State in other respects would not enhance the reputation of the State. In particular, the member suggested that in all villages where schools already existed, the department must take action to open night schools for adults so that, to the extent possible, even grown up men might learn something of the 3 R's.

As regards health and sanitation in the villages, he said that however much the Government spent on medical aid, the general position would not improve unless and until pure drinking water was made available to the villagers. He also regretted that there was nothing like a health programme adumbrated and followed by the Government That was why both birth rate and death rate continued to be high in the State. Notwithstanding the present financial difficulties of the Government, it was their duty to find adequate funds for this purpose and he hoped that they would do so, just as they did for sanctioning the installation of a Steel Plant at Bhadravati and the scheme for the supply of electric power to the Works and to the several districts of the State.

MR. S. K. VENKATARANGA IYENGAR complimented the Financial Secretary on the out-spoken manner in which he had prepared the Financial Memorandum. With regard to the details of the budget under discussion, he regretted that several Dewans had enunciated several policies relating to the finances of the State and there was no continuity of policy. He quoted the utilisation of the loan sinking and famine insurance funds for normal purposes for a series of years as an example of such a position.

MR. S. SHAMANNA observed that there was no change of policy in recent years and that Government were still making necessary contributions to the funds.

MR. VENKATARANGA IYENGAR observed that no contribution was made in the budget estimates under reference to the Famine Reserve Fund.

MR. S. SHAMANNA replied that that was because the amount stood at a high enough level.

MR. VENKATARANGA IYENGAR stated that the amount at the credit of that fund was only Rs. 63 lakhs which was not a very high percentage of the total revenues of the State and considered that the amount was not enough for the purpose in view.

MR. S. SHAMANNA said that even granting that the amount at credit should have been more, the Government could not be charged with not pursuing any steady policy. At a time when experts had suggested that larger contributions should be made to the Famine Insurance Fund, that fund stood at a low figure The position now was different and no particular purpose would be served by earmarking larger amounts as additions to that fund.

MR. VENKATARANGA IYENGAR doubted the wisdom of that statement because India was essentially a country which was gambling in rains and already there was a fall of Rs. 10 lakhs under land revenue during this year because rains had kept back. And if famine really occurred, any amount of money that could possibly be had would really have to be spent away to tide over the difficulty. But that was by no means the only defect that the member discovered in the budget under reference. It was clear that the Government depended too much on inelastic revenues.

MR. K. MATTHAN remarked that that was not a very correct statement. It might be that Excise and a few other items showed a decline, but the main source of revenue, *viz.*, land revenue, was certainly on the increase due to large capital works undertaken during recent years, such as Irwin Canal and other works.

MR. VENKATARANGA IYENGAR said that the increase was rather very slight compared with the magnitude of the works and the expenditure involved thereon. As regards Excise, Government must be prepared for still smaller revenues in years to come as also under Forest. If at all, Income-tax and Miscellaneous Taxes were the only two items in respect of which Government could look forward with a certain amount of confidence for improved revenues.

For balancing the budget, the Government had depended to a large extent on the unexpected heavy receipts under the heads Mining Revenue, Registration and Stamps. But he objected to mining revenue being utilised for current expenditure because from the beginning Government were being advised to keep that revenue in reserve.

Mr. Datta, a Financial Expert, had recommended so long ago as 1905 that mining revenue ought to be kept intact and used only in emergencies. But that advice had been forgotten clean He suggested that at least in future that sound advice should be kept in view.

Over and above the income of the State by way of interest on investments the State was obliged to set apart an additional sum of Rs. 54 lakhs each year for payment of interest on borrowed funds. This, he said, was not a sign of progress. The Railway receipts had been more or less stationary and did not fulfil the high expectations that were entertained at the time the several schemes of expansion were sanctioned.

It was satisfactory to note that the budget had been balanced. But it could not be forgotten that this was achieved with the help of unexpected and uncertain items of revenue like the income from sugar and matches excise duties, the betting tax as well as from the reduction of the subsidy. At this rate, how long could the Government keep up its position of so-called surplus or so-called balance? He asked the Government to imagine what they would do if the position proved to be economically worse in the years to come, as was being feared in many quarters. If the position really went worse, more and more of remissions would have to be granted so that the one dependable source of revenue, *viz.*, land revenue, would also get depleted He therefore warned the Government not to depend upon adventitious incomes any longer, but to explore the possibilities of balancing the budget with the help only of sure items of revenue, definitely laying it down as a policy and as a principle that all extraneous receipts as well as receipts from capital investments should be earmarked as contributions to the several reserves.

Continuing, he said that on the whole the industrial policy of the State was not very unsatisfactory, but the agricultural policy needed revision. In other words, a sort of an industrial approach should be given to agriculture and people enabled to depend more and more upon industries for their maintenance and prosperity.

As regards Income-tax, he suggested that all joint stock companies including the gold mining companies in the State be assessed to higher rates of income-tax than at present. Such a step would be justified by the circumstance that even in the Civil and Military Station of Bangalore, as in British India, the rates charged were very much higher, and this was in addition to the surcharge and excise duty which they were paying. Government would have to consider why business-men in the Mysore State should not also be taxed similarly. Government had already lost much by default in this respect and if they took immediate action to bring an amending Bill, support from all reasonable men would be forthcoming. Similarly, he said, the betting tax also was low in the State and as the horse-racing instinct appeared to be on the increase everywhere, he suggested that a higher rate of tax would certainly be justifiable. In these and other possible ways, Government must try to tax outsiders who were making profits within the State before thinking of adding to the burden of the local raiyat at every stage.

The member then proceeded to deal with the details of the budget and observed that the grant for special improvements stood at a very low figure. One of the previous speakers had made a remark that Bangalore City had received as much as Rs. 60,000 which was very high. To that statement his reply was that it was not Rs. 60,000 that had been given but only Rs. 45,000 as in the previous year, and the excess of Rs. 15,000 over the previous year's grant was for the purpose of underground drainage. The Bangalore City Municipality was maintaining about 120 miles of roads and all persons visiting the important towns and cities of the State were making use of the bulk of these roads. The City was also famous for its salubrious climate and was giving health and comfort to those coming in quest of them. The Municipality had laid out circles, squares and parks and maintained a costly water

supply system. It incurred heavy expenditure on electric lights and so on. The benefit of all these comforts were certainly not confined only to the rate-payers of the City. Such being the case, it was the duty of the Assembly to support a much larger grant to that City than was being made at present.

He then referred to the provision of Rs. 10,000 made in the budget for the purpose of taking over inam villages. This item, he observed, betrayed the extreme socialistic propensities of the present-day Government of Mysore. It looked as though the Government were anxious to resume inams granted ages and ages ago. If that was their intention, he knew they could achieve it in a large measure. It was easy to give instructions to the Amildars to get inam villages brought to auction, wait for suitable opportunities and bid and go in for them. He was aware that there were some people who said that this was a right policy to pursue. It looked as though these inams were sought to be resumed because they all happened to belong to members of one particular community. He hoped that Government would even now not think of pursuing such an extreme policy.

MR. T. S. ALI KHAN complimented the Government on having been able to present a surplus budget for the coming year. He requested that larger grants be provided for education, particularly that of the primary grade, and for improvements to the Mysore City in which satisfactory progress had not yet been made in the matter of under-ground drainage due to want of funds. For rural reconstruction and drinking water wells in the villages as also for tank restoration, he wanted larger allotments to be made. With regard to village schools he suggested that if it was found to be too costly to establish both boys' and girls' schools, it would be advisable to conduct combined schools.

MR. K. SUBBA RAO brought to notice that roads and communications were in a most unsatisfactory state in the Sringeri Jahgir and medical aid was absolutely inadequate. He requested that action be taken to provide better facilities in both these directions. He added that many persons were experiencing great difficulty due to want of employment and requested the Government to make a small grant for opening an industrial school in the Jahgir.

At this stage the House adjourned for lunch and reassembled at 3-45 p.m.

RESOLUTIONS ON THE BUDGET.

RESOLUTION No. 1.

Enhancing the grant for Drinking Water Wells.

MR. B. L. BYANNA moved the following resolution :—

"This Assembly recommends to the Government of His Highness the Maharaja that the allotment of Rs. 75,000 under the head '30, Grants for Public Improvements—6. Drinking Water Wells in Villages' be enhanced by Rs. 50,000."

In doing so, he said that, as against about 18,000 villages in the State, only 5,000 or 6,000 had drinking water wells and all the rest of them were without drinking water. As soon as the present Dewan assumed the reins of administration, he was pleased to state that drinking water was one of the essential requirements of every village and that Government would try to provide it as soon as possible. The Assembly was no doubt thankful to the Government for providing a sum of Rs. 75,000 for this purpose in the budget estimates under discussion; but taking it that each well would cost on the average about Rs. 500, it would take a hundred years for giving a well to each village. The Government might say that in their present financial position they could not give larger grants for the purpose, but he would remind them that in the year 1929-30, when the revenue was much less than in the budget year, the Government had sanctioned as much as Rs. 1,27,100 for drinking water wells. He would therefore earnestly request the Government to give another sum of Rs. 50,000 so that it might be possible to provide drinking water wells in about 250 villages every year. Even on that